

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02031A
Indiada Water Company Inc.
301 North Garden Avenue
Sierra Vista, AZ 85635

RECEIVED

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

5-11-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Indiada Water Company Inc.

Mailing Address 301 North Garden Avenue

(Street)

Sierra Vista

(City)

Arizona

(State)

85635

(Zip)

(520)-458-3209

Telephone No. (Include Area Code)

(520)-439-9717

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address nfwatkins@theriver.net

Local Office Mailing Address Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Nathan Watkins

President

(Name)

(Title)

301 North Garden Avenue

(Street)

Sierra Vista

(City)

Arizona

(State)

85635

(Zip)

(520) 458-3209

Telephone No. (Include Area Code)

(520) 439-9717

Fax No. (Include Area Code)

(520)-266-1976

Pager/Cell No. (Include Area Code)

Email Address nfwatkins@theriver.net

On Site Manager: Same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Bob Watkins

(Name)

301 North Garden Avenue
(Street)

Sierra Vista
(City)

Arizona
(State)

85635
(Zip)

(520) 458-3209

Telephone No. (Include Area Code)

(520) 439-9719

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Not Applicable

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☒ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	750		750
304	Structures and Improvements			
307	Wells and Springs	14,648	14,496	188
311	Pumping Equipment	5,449	4,700	749
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	18,217	16,034	35
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	1,255	1,220	35
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	3,789	3,223	566
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	44,144	39,673	4,471

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Indiada Water Company Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	750		
304	Structures and Improvements			
307	Wells and Springs	14,648		41
311	Pumping Equipment	5,449		809
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	18,217		1,272
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	1,255		0
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	3,789		600
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	44,144		2,722

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$7,949	\$5,429
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	1,000	1,000
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$8,947	\$6,429
	FIXED ASSETS		
101	Utility Plant in Service	\$55,116	\$44,148
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	47,116	39,673
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$8,000	\$4,475
	TOTAL ASSETS	\$16,947	\$10,904

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$383	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	450	
236	Accrued Taxes	737	
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$1,570	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$1,570	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$41,300	\$
211	Paid in Capital in Excess of Par Value	(22,643)	
215	Retained Earnings	8,020	
218	Proprietary Capital (Sole Props and Partnerships)	(11,300)	
	TOTAL CAPITAL	\$15,377	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$25,131	\$26,415
460	Un-metered Water Revenue		
474	Other Water Revenues	253	15
	TOTAL REVENUES	\$25,384	\$26,160
	OPERATING EXPENSES		
601	Salaries and Wages	\$9,000	\$9,000
610	Purchased Water	2,310	2,169
615	Purchased Power	1,409	1,687
618	Chemicals		
620	Repairs and Maintenance	533	4,404
621	Office Supplies and Expense	1,795	4,109
630	Outside Services	1,360	1,480
635	Water Testing	1,430	510
641	Rents	1,200	1,200
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	54	1,713
403	Depreciation Expense	3,192	2,722
408	Taxes Other Than Income	794	1,347
408.11	Property Taxes	1,832	1,549
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$24,909	\$31,890
	OPERATING INCOME/(LOSS)	\$475	\$(5,730)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$475	\$(5,730)

COMPANY NAME: Indiada Water Company Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 390

Meter Deposits Refunded During the Test Year

\$ 60

COMPANY NAME: Indiada Water Company Inc.	
Name of System	ADEQ Public Water System Number (if applicable) 02020

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-805790	1	12	55	8	N/A	1970
55-805791	2	20	150	8	N/A	1966
55-805792	1.5	20	145	8	2	1967

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Antelope Run Water Company	100+	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
12,000	1	1,000	2
		85	2

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Indiada Water Company Inc.	
Name of System	ADEQ Public Water System Number (if applicable) 02020

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	210
3	AC/PVC	10,000
4		
5		
6	PVC	1,800
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	53
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

Fences

OTHER:

Office Furniture and Equipment

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Indiada Water Company Inc.	
Name of System	ADEQ Public Water System Number (if applicable) 02020

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	54	42,900		2,700
FEBRUARY	55	22,900		0
MARCH	53	38,100		0
APRIL	55	123,500		0
MAY	53	341,490		288,200
JUNE	54	347,660		214,100
JULY	54	255,100		267,400
AUGUST	54	270,420		147,600
SEPTEMBER	54	346,750		34,900
OCTOBER	55	444,160		61,400
NOVEMBER	54	211,420		333,000
DECEMBER	54	142,200		0
TOTALS →		2,586,600		1,346,600

What is the level of arsenic for each well on your system? <.001 all wells mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs
N/A

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Indiada Water Company Inc. YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 1,549

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

INDIADA WATER COMPANY, INC.

301 N. GARDEN AVE.
SIERRA VISTA, ARIZONA 85635
(520) 458-4388

WELLS FARGO BANK
Sierra Vista Office
Sierra Vista, Arizona

91-527/1221

2614

10/17/2006

PAY TO THE ORDER OF **MARSHA BONHAM COCHISE COUNTY TREAS**

\$ ****1,548.94**

One Thousand Five Hundred Forty-Eight and 94/100*****

DOLLARS

MARSHA BONHAM COCHISE COUNTY TREA
PO BOX 1778
BISBEE AZ 85603

MEMO

2006 Taxes Full Yr Par #937-26-870-7

⑈002614⑈ ⑆122105278⑆0818297673⑈

INDIADA WATER COMPANY, INC. Sierra Vista, Arizona 85635

MARSHA BONHAM COCHISE COUNTY TREAS

Taxes-Prop

Full Yr 2006 Par # 937-26-870-7

10/17/2006

2614

1,548.94

IWC CHECKING 2006 Taxes Full Yr Par #937-26-870-7

1,548.94

2006 FIRST HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Payment in U.S. FUNDS ONLY

Due October 1, 2006

INDIADA WATER CO INC

937-26-870 7 0117584

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid **in full** using the first payment coupon, no later than **November 1, 2006 at 5:00 p.m.**

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31, 2006**. Delinquent interest will be waived.

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

TO PAY 1ST HALF ONLY	PAY ▶	774.47
TO PAY FULL YEAR TAX	PAY ▶	1,548.94



029372687000700000077447



Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

2006 9372687007 1 00000015489400000077447

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

VERIFICATION

STATE OF Arizona

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE Nathan Watkins President
COMPANY NAME Indiada Water Company Inc.

AZ CORP COMM
Director Utilities

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE
ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2006

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS,
PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY
EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND
CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE
PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY
MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE,
INFORMATION AND BELIEF.**

SWORN STATEMENT

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT
AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND
PAID IN FULL.**



SIGNATURE OF OWNER OR OFFICIAL

(520) 458-3209

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th

DAY OF

COUNTY NAME

COCHISE

MONTH

MAY

2007

(SEAL)



OFFICIAL SEAL
GINI ARTHUR
NOTARY PUBLIC - STATE OF ARIZONA
COCHISE COUNTY
My Comm. Expires March 28 2011



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

COMPANY NAME Indiada Water Company Inc. **YEAR ENDING** 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u><3,797></u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u><3,797></u>
Estimated or Actual State Tax Liability	0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
 Amount of Gross-Up Tax Collected _____
 Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

North Waller
SIGNATURE

5-8-07
DATE

NATHAN WATKINS
PRINTED NAME

President
TITLE